ad valorem rates were replaced by specific rates of duty for various sizes of tyres. These rates have not been revised. However, prices of tyres, particularly bus and truck tyres have increased considerably thereafter and the incidence of duty has come down. The MODVAT scheme was extended to tyres in the year 1986 as a result of which the incidence of duty on tyre manufacturers has been further reduced in absolute terms.

Raw material crisis in Paper Industry

2247. SHRI PARVATHANENI UPENDRA: will the Minister of INDUSTRY be pleased to state;

(a) whether the paper industry is facing a serious raw material crisis; and

(b) if so, the steps taken by Government to meet the situation?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHA-LAM): (a) Inadequate availability of raw materials, particularly, forest raw materials is one of the major constraints faced by the paper industry.

(b) In order to enable the industry to overcome the problem of raw material availability, the following facilities and concessions have been extended to the industry:—

(i) Import of pulp, waste paper, wood chips and logs have been placed under Open General Licence. Import of pulp and wood chips is allowed free of customs duty, while nominal duty is charged in the case of waste paper and logs.

(ii) Paper industry is encouraged to use non-conventional raw materials i.e. raw materials other than bamboo, hard woods, soft woods, reeds or rags. Paper and paperboard manufactured out of non-conventional raw materials is charge concessional excise duty. Full exemption is available for paper containing not less than 75 per cent by weight of pulp from bagasse. Manufacture of writing, printing & wrapping paper from agricultural residues, wastes and bagasse has been de-liccnsed.

Setting up of Gas Turbine Units

2248. SHRI PARVATHANENI UPENDRA: Will the Minister of ENERGY be pleased to state:

(a) whether Government are considering to allow the State Governments to set up gas turbine units to meet the power crisis;

(b) whether Government have decided to allow foreign financial institutions and companies to invest money in such projects; and

(c) if not, what are the reasons therefor?

THE MINISTER OF STATE IN THE DEPARTMENT OF POWER IN THE MINISTRY OF ENERGY (SHRIMATT SUSHILA ROHATGI): (a) to (c) Proposals in respect of setting up gas turbine plants are examined keeping in view the availability of gas/fuel, the power requirements of the Region and other relevant techno-economic considerations. Gas-based power plants of an aggregate capacity of 898.5 MW are presently in operation in the country.

While primary reliance continues to be placed on plan resources and on indigenous sources of supply of power equipment, in view of the overall resource constraint, external assistance for some power projects is resorted to on a case-to-case basis. Specific offers received in this regard are examined on the basis of the merits of each case.

Hindustan Cables Limited

2249. SHRT SUNIL BASU RAY:
DR R. K. PODDAR:
SHRI MOSTAFA BIN QUASEM:

Will the Minister of INDUSTRY be pleased to state:

(a) whether it is a fact that Hindustan Cables Limited, Rupnarayanpur unit in